

FISCAL NOTE

Bill #: SB 309

Title: Revise compulsory enrollment and truancy laws

Primary

Sponsor: John Bollinger

Status: Introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	\$122,967	\$4,063,336
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	(\$122,967)	(\$4,063,336)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

Office of Public Instruction (OPI)

1. The Montana Statewide Dropout Report 1996-97 indicates that 2,888 students dropped out of school in FY 1997. The break down was as follows:

Grade 12	567
Grade 11	712
Grade 10	700
Grade 9	753
Grade 8	52
Grade 7	<u>104</u>
Total	2,888

(continued)

Any of these students who were older than 16 at the time they left school were not considered truant under current law. No statistics are available as to how many students are currently truant, nor how many drop outs are between the ages of 16 and 18. Given the compounding of students dropping out over the four years of high school and that students may come back to school after dropping out it is difficult to estimate. For purposes of this fiscal note, it is assumed that there are 4,000 drop outs under 18 years of age, of which 3,000 are estimated to have driver's licenses and 2,700 are newly defined as truant with SB 309.

2. It is assumed that school attendance officers are able to persuade 50% of the newly defined truant students, or 1,350 truant students to re-enroll in high school each year. In FY 2000 there would be 1,350 additional students in high school. In FY 2001 and beyond, there would be additional students in school as the number compounds as students are retained in school.
3. The state pays approximately \$2,930 in direct state aid and guaranteed tax base aid per high school ANB. The state cost for 1,350 students (which attended school in FY 2000) in FY 2001 would be \$3,955,500. The state pays on the previous year's ANB so although the students will be in the school districts starting in FY 2000, the first year of impact to the state is FY 2001.

Department of Public Health and Human Services (DPHHS)

4. DPHHS CFSD would receive 100 more referrals of abuse and neglect regarding children who are truant from school.
5. On overall average each FTE in the division manages the caseload of 29 referrals.
6. The division would need 3.5 additional community social workers (grade 14) at a cost of \$32,770 per FTE ($3.5 * \$32,770 = \$114,695$).
7. Each new FTE would need an office package and a computer at a cost of \$2,750 per FTE the first year only ($4 * \$2,750 = \$11,000$).
8. This is a federal IV-E eligible service.

Department of Justice

9. 50% of those who have driver's licenses and would have dropped out of school will remain in school to retain their driver's license. Therefore, it is anticipated that approximately 1,500 students with drivers licenses will remain out of school. ($3,000 * 50\% = 1,500$)
10. Assuming that driver license suspensions will be ordered for 60% of those who drop out of school, it is estimated that 1,125 driver's licenses would be suspended under the provisions of this bill.
($1,500 * 60\% = 900$ first offense $* 25\% = 225$ second or subsequent offenses)
(900 first offense $+ 225$ second or subsequent offenses $= 1,125$ driver licenses suspensions)
11. It takes approximately 50 minutes to process each driver license suspension, including updating the driver license data base, preparation and mailing of official notification, and restoration of license at end of suspension period. If this bill passes, an additional 0.50 FTE (grade 9 – cost of \$11,026 a year) will be necessary to process these driver license suspensions.
12. Annual operating expenses would increase by \$11,963 for costs such as telephone, mainframe network connection, computer processing time, and supplies.
13. One-time expenses for programming changes required by the passage of this bill are projected to cost \$3,300 for consultant services plus \$739 for increased computer processing charges generated during programming and system testing, or a total of \$4,039 during FY 2000. (44 hours at $\$75/\text{hour} = \$3,300 + \$739 = \$4,039$)
14. Additional one-time operating expenses in FY 2000 would increase by \$2,925 for new employee office package, new PCs, and wiring new mainframe and telephone connection.

FISCAL IMPACT:

(continued)

Note: The fiscal impact of this bill is highly variable with the number of students that actually return to school as a result of this bill. The number of students estimated to return to school could vary significantly from the assumptions in this fiscal note due to the lack of reliable information regarding the number of students and the inability to predict human behavior.

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
FTE (DPHHS)	3.50	3.50
FTE (Dept. of Justice)	0.50	0.50

Expenditures:**DPHHS**

Personal Services	\$114,695	\$114,695
Equipment	11,000	0

Department of Justice

Personal Services	\$ 11,026	\$11,026
Operating Expenses	18,927	11,936

Office of Public Instruction

Local Assistance	<u>\$0</u>	<u>\$3,955,500</u>
TOTAL	\$155,648	\$4,093,157

Funding:

General Fund (01)	\$122,967	4,063,336
Federal Special Revenue (03)	<u>32,681</u>	<u>29,821</u>
TOTAL	\$155,648	\$4,093,157

<u>Revenues:</u>	\$0	\$0
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$122,967)	(\$4,063,336)
Federal Special Revenue (03)	(\$32,681)	(\$29,821)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

School districts would see an increase in cost associated with additional students in the high schools or approximately \$1.2 million for the GTB area of the Base budget.

Local courts, law officers, and probation officers will see an increase in workload associated the monitoring of youth, which as a result of this bill will be defined as truant. It is unknown how much of an increase in cost would be associated with this bill.

LONG-RANGE IMPACTS:

It is very likely that the state could save social service costs in the long run by keeping students in school until they complete high school. The data does not exist to make good estimates of these cost savings.

Over the long term, if the number of students increase beyond the level shown in this fiscal note, the cost of their education would be proportionately high than the figures in this fiscal note.